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Approved by:

Ed Porter
U.S. Embassy

Prepared by:

EP/Natalia Koniuszewska/Piotr Rucinski/Wlodek Makowski/Jolanta Figurska

Report Highlights:

Due in large part to local consumer attitudes, the Polish government consistently opposes the approval of new biotech products for import, for food and feed use in the EU, and for use in local agriculture. But, in reaction to growing interest in biotech among agricultural groups, there is some evidence the government may support limited cultivation of biotech crops for feed and biofuel production.

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I. Executive Summary

With the exception of some seed and animal feed sales, the United States currently has little biotechnology trade with Poland. But, there is interest in the market. Also, how the European Union (EU) regulates biotechnology can impact trade in U.S. biotech crops and products worldwide. Poland, a major EU member state, can influence EU biotech policy.

There is genuine government and public concern in Poland about the safety of biotech products. Consequently, the current government consistently opposes EU approvals of new products and has announced that Poland should be a "GMO free" country. Towards this end, the government has banned the sale and registration of biotech seeds and, starting September 2008, will prohibit the importation of animal feed derived from biotech crops. EU officials reportedly have determined these bans are inconsistent with EU regulations. Infringement proceedings are ongoing. Other than the feed and seed legislation, Poland abides by EU biotechnology regulations.

There are some indications the government may be reassessing its anti-biotech position. In early 2007, officials decided not to challenge a local court ruling against the seed legislation and may delay enforcing the feed ban. Also, the government is currently drafting comprehensive biotech legislation that would continue to permit biotechnology use in agriculture, albeit under very strict conditions. Change is being driven by mounting pressure from the livestock, feed and seed industries, demand for biofuel production, and by farmer concerns about the spread of the corn borer pest. But, perhaps the greatest obstacle to acceptance and use of biotechnology in Poland, public opinion, is unlikely to change anytime soon.

II. Biotechnology Trade and Production

Current Situation

Other than nearly 2.0 million MT of soybean meal, mostly from Argentina, Poland imports very little biotech product for agriculture. Some U.S. origin biotech feed may be imported via other EU countries. In 2007, an estimated 300 hectares (740 acres) of biotech corn, mostly Bt and including test plots, were planted in Poland. Extension agents confirm Bt corn is being grown on larger farms in response to the spread of the corn borer pest. Farmers are not reporting these plantings. Government policy, negative public opinion, a lack of biotech seeds of local commercial interest and a lack of farmer knowledge about the benefits of biotechnology are key factors limiting its use in agriculture.

Potential for Use

There is potential for biotech use in Polish agriculture. Feed demand is increasing, primarily due to strengthening demand from the pork and poultry industries, which have been increasingly competitive within the EU and world markets, since Poland acceded to the EU in May 2004. However, a ban on the importation of biotech feed starting September 2008 threatens future imports.

As for cultivation potential, according to a 2005 study (See Reference Material, Item 1), the use of biotechnology by Polish farmers would increase national gross farm income between US \$84 million and US \$154 million. At the farm level, biotech use would increase average gross profits by up to US \$98/ha for corn, US \$170/ha for rapeseed and by US \$450/ha for sugar beet. The report also found that Polish farmers who adopt biotechnology "have the potential to gain more from adoption than their EU-15 counterparts because they are

starting from a lower average level of technical efficiency (e.g., in terms of average levels of weed control).” Finally, interest in biotechnology to produce biofuel stock is growing.

III. Biotechnology Policy

Overview

Except for its feed and seed legislation, Poland adheres to EU directives regulating biotechnology, especially those governing food products produced from biotech crops. In 2006, the government banned the sale and registration of biotech seeds and, as of September 2008, will ban the importation of feed made from biotech crops. Polish officials also consistently oppose biotech products submitted by EU officials to member states for approval, even though the European Food Safety Authority (EFSA) has ruled they are safe. This trend is unlikely to change anytime soon.

The European Commission reportedly has determined that Poland’s biotech seed and feed regulations do not comply with EU obligations. Infringement proceedings are ongoing. In addition, two major international seed companies successfully challenged part of the seed ban in local court. The court ruled that registration procedures could continue, including the planting of test plots. Livestock and feed industry representatives are threatening a court challenge to the government’s ban on biotech feed use, absent government action to at least delay the ban for several years.

The government is in the process of creating comprehensive biotech legislation. As currently drafted, biotech cultivation would continue to be permitted, but under strict conditions. Most likely, the government eventually will limit biotech cultivation to specific “GMO designated regions” and to crops for feed and biofuel production only.

Regulatory Framework

Various ministries are responsible for drafting biotech legislation and enforcing compliance. Below is a list of these ministries and their primary responsibilities. (Note: The responsibilities described below are based on biotech legislation currently under review. Major changes from current responsibilities are noted.)

Ministry of Agriculture: responsible for regulating seed and feed use, seed registration, issuing cultivation permits, drafting coexistence and liability regulations (new responsibility), and inspecting bulk food (e.g., grains) and feed products.

Plant Breeding and Acclimatization Institute, Ministry of Agriculture: designated the nation’s main biotech reference laboratory.

General Sanitary Inspectorate, Ministry of Health: responsible for food and pharmaceutical product inspection and rules governing hygiene and environmental conditions in biotech engineering institutions.

Ministry of Environment: responsible for regulating research, import permits for non-EU countries, seed sale permits, and preparing a “National Strategy for Biological Safety” (i.e., an environmental protection plan) and an associated action plan.

Biotech Committee (reports to the Ministry of Environment): The new committee’s role will be strictly advisory. It will be comprised of 13 members, six from various ministries and seven experts nominated by the Ministry of Science. Members will serve a four-year term.

The current Biotech Committee is comprised of 19 members, including consumer and non-government organization representatives. Consumer and NGO representatives will be excluded from the new committee. The current committee has authority to approve applications for research, trade and cultivation-authority the new committee will be denied.

Biotech legislation is drafted within the relevant ministry(ies), depending on the issue, and submitted to the Council of Ministers within the Prime Minister's office for approval. Following Council approval, the legislation is submitted to Parliament. Either house of Parliament may amend the legislation. Both houses must pass the final bill. Once passed by Parliament, the legislation is sent to the President for signature.

Pending Legislation

The more worrisome requirements of the biotech legislation currently under reviewed are:

- Local government (e.g., county or township) approval required to plant biotech crops;
- Onerous pre-planting notification requirements;
- Onerous approval and certification requirements; and
- Liability requirements that place damage costs stemming from contamination of neighboring fields, crops and even equipment, squarely on the shoulders of biotech producers.

Coexistence requirements also may prove to be onerous, if not economically impossible to meet. The Ministry of Agriculture has been tasked with drafting coexistence regulations: none exist at present. The regulations reportedly will be submitted as an attachment to the main legislation. The lack of such regulations often is cited as a key reason for the government's opposition to biotech cultivation. (See GAIN report PL6042 for more information about Poland's proposed biotech legislation.)

There is strong opposition to the legislation within the agricultural community, including from many government scientists. Biotech proponents argue that many of the requirements are unnecessary, lack scientific justification, and will dissuade farmers from using biotechnology. The Polish Federation of Biotechnology is scathing in its lengthy assessment of the legislation. The Federation claims the legislation will violate EU regulations, discriminate against biotech users and halt the development of biotechnology research.

Political Considerations

The biotechnology debate in Poland is based more on emotion than information. Many citizens and government officials believe biotech cultivation would harm the local environment and destroy the reputation they believe Polish food products enjoy throughout the EU as natural, safe and wholesomely produced. In addition, many people believe biotechnology would drive small farmers out of business, ruining Poland's rural heritage. (About 85 percent of Polish farms are 10 hectares (25 acres) or less in size.) Many parliamentarians, themselves small farmers, support these views. It was the lower house of Parliament that added the seed and feed bans to legislation it received from the prime minister, disregarding the opinion of its own legal advisors that the bans would violate EU directives. Ironically, the original legislation was drafted to bring Poland into compliance with EU regulations.

Despite the government's long-standing public opposition, comments by some officials hint of a possible shift towards biotechnology, albeit a small one. In addition to letting the court seed ruling go unchallenged, one official noted Poland did not contest the EU decision to apply the 0.9 percent limit for the adventitious presence of authorized biotech plant material in organic products. Other officials have voiced concern over the potential negative impact the feed ban could have on the competitiveness of local agriculture and over the penalties Poland could face for failing to comply with EU biotech directives. Given the ongoing debate within the government, continued pressure from the EU and local agricultural groups could still pay dividends.

Approved Biotech Crops

As an EU member, Poland currently permits the importation and use of all biotech products approved by the European Union. As noted earlier, the government banned the sale and registration of biotech seeds. But, the legislation does not prohibit the use of such seeds and, as a result of a local court ruling, seed companies may continue registration procedures, including field trials. In September 2008, a government ban on the importation of feed produced from biotech crops is scheduled to take effect. It is unclear how the government will enforce the ban.

Field Testing and Research

Except for seed registration purposes, there is little field testing or biotech agricultural research underway in Poland. In early 2006, the government announced a ban on biotech research in government facilities. It later withdrew the ban in the face of harsh criticism from scientists, but it remains unclear if the government might not still be discouraging such research.

IV. Marketing Issues

The jury is still out on the acceptance and use of biotech products in Poland. Negative public opinion is the most challenging obstacle to marketing such products. A 2005 survey (See Reference Material, Item 2) revealed there is a high level of local familiarity with, but very low support for, biotech foods. According to the survey, 73 percent of local respondents have heard about biotech foods, but only 23 percent agree that food biotechnology should be encouraged. (For the EU as a whole, 80 percent of respondents are familiar with biotech foods and 27 percent support encouraging biotech foods.)

Opinions were mixed concerning the acceptability of buying biotech products. Health and environmental concerns (e.g., reduced pesticide use) are the reasons most closely correlated with buying biotech products. According to the survey, government approval and lower prices do not have a strong influence on consumer biotech food buying decisions. The survey also revealed that EU consumers will remain skeptical of biotech foods until they provide direct consumer benefits.

While some biotech food products are marketed in Poland (e.g., soybean oil), trade contacts report that retailers are extremely sensitive to local consumer attitudes and therefore, as a rule, refuse to carry products labeled as "GMO".

In contrast to negative consumer attitudes, there is growing interest among agricultural groups for biotech use for pest control, animal feed, and biofuel production. According to a recent survey of local farmers, a major barrier to greater acceptance of biotechnology is a lack of knowledge about its benefits. Only 39 percent of farmers surveyed said there were

benefits to using biotechnology. (See GAIN report PL7020 for more information about farmer attitudes towards biotechnology.)

V. Capacity Building and Outreach

Post's primary goal is for Poland to comply with EU and WTO regulations governing biotechnology trade and use in agriculture. Towards this end, Post's target audience will remain government regulatory and policy officials, farmers, farm and feed industry representatives, scientists, university officials and students, and journalists. We will continue to stress the necessity for science-based decisions, emphasizing the importance of EFSA recommendations, and to share the U.S. experience with safely growing, marketing and trading biotech crops. Post will continue to advocate for local science-based biotech regulations that permit cultivation and trade. We also will continue to educate farmers and extension agents about the benefits of biotechnology.

Our efforts will continue to include regular meetings with key contacts. We will continue to seek out and participate in regional technical seminars targeted at extension agents and farmers. We will continue to host local visits by U.S. experts to discuss coexistence and other issues of concern to government regulators and policy makers. Under our own Visitors Program and the State Department's International Visitors Program, we will continue to send influential contacts to meet with U.S. biotech experts and to observe biotech production and marketing in the United States. Under our Borlaug Fellows Program, we will continue to work with government and university officials to host promising young scientists to undertake short-term biotech research projects in the United States. Finally, we will work to improve the coordination of our biotech-related activities with other FAS offices in the EU.

Recognizing that local stakeholders ultimately will decide the future of biotechnology in Poland, we will continue to take care to be seen as promoting compliance with trade agreements and encouraging freedom of choice, and not to be perceived as pushing biotech use.

VI. Reference Material

1/ The farm level impact of using GM agronomic traits in Polish arable crops. G. Brookes and A. Aniol, March 2005.

2/ Europeans and Biotechnology in 2005: Patterns and Trends, Eurobarometer 64.3, May 2006 (A report to the European Commission's Directorate-General for Research)

Contacts

Ministry of Environment
Department of Environmental Protection
Deputy Director, Krzysztof Lissowski
Tel: (48 22) 579-2289; Fax: (48 22) 579-2555
www.mos.gov.pl

Ministry of Environment
Department of Environmental Protection
Biotech Specialist, Agnieszka Dalbiak or Joanna Rybak
Tel: (48 22) 579-2538 or 579-2723; Fax: (48 22) 579-2555
www.mos.gov.pl

Ministry of Agriculture and Rural Development

Department of Plant Breeding and Protection
Deputy Director, Wiesław Podyma
Tel: (48 22) 623-2554; Fax: (48 22) 628-8784
www.minrol.gov.pl

Ministry of Agriculture and Rural Development
Department of Plant Breeding and Protection
GMO specialist, Marta Czarnak-Kłos, Tel. (48 22) 623 2166,
GMO specialist, Małgorzata Wozniak, Tel: (48 22) 623-2336;
Fax: (48 22) 628-8784
www.minrol.gov.pl

Ministry of Agriculture and Rural Development
Plant Quarantine and Seed Inspection
General Inspector, Mirosława Konicka
Tel: (48 22) 623-2302, 623-2404; Fax: (48 22) 623-2304
www.piorin.gov.pl

Ministry of Agriculture and Rural Development
General Veterinary Inspectorate
Chief Veterinary Officer, Dr. Ewa Lech
Tel: (48 22) 623-1717 or 623 2088; Fax: (48 22) 623-1408
E-mail: ewa.lech@wetgiw.gov.pl
www.wetgiw.gov.pl

Plant Breeding and Acclimatization Institute in Radzików
PL 05-870 Blonie
Tel: (48 22) 725-3611; Fax: (48 22) 725-4714
Email: postbox@ihar.edu.pl
<http://www.ihar.edu.pl>

Ministry of Health
General Sanitary Inspectorate
General Inspector, Andrzej Wojtyła
Tel: (48 22) 635-1559; Fax: (48 22) 635-6194
<http://www.gis.gov.pl/>